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SUBJECT: WHERE LONELY PLANET DOES NOT GO: A VISIT TO XILIN

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¶1. (SBU) Summary. A visit to Guangxi's Xilin County revealed one of the poorest and most remote areas in Guangzhou's consular district. Despite the area's overall poverty, there were marked distinctions between relatively prosperous Xilin Town and the county's backward countryside. The Zhuang minority dominates in the town, while large numbers of Miao, Yao and other groups live in the rural areas. Industry is largely inexistent around Xilin Town, but its service sector is up and coming. Locals claim they do not read newspapers or worship, but area youths are avid Internet users. Civic pride is strong, and in a sense understandable, since the public-service infrastructure appears adequate, and not particularly inferior to that available even in the most developed areas of our district. All in all, if this is as depressed as South China gets, then the region is not doing that badly. End summary.

¶2. (U) EconOff and EconPolAsst recently visited Xilin, the westernmost county in the Guangzhou consular district. Nestled in the mountains of Guangxi's northwestern "tail", Xilin falls under the jurisdiction of Baise, the largest prefecture in the provincial-level Guangxi Zhuang Autonomous Region. Baise is also one of the poorest prefectures in South China, with ten of its 11 counties considered national-level poor counties, including Xilin.

The Economy -----

¶3. (U) Xilin is heavily rural, with 90% of the county's 127,500 inhabitants living outside of the small eponymous town that serves as its administrative and commercial center. In 2004 (the last year for which figures are available), Xilin County's gross domestic product (GDP) was RMB 472 million (USD 59.01 million; all conversions made at the rate of USD 1 = RMB 7.998), up 16.3% year-on-year. The agricultural sector accounted for 50.4% of the GDP. Despite the fact that the industrial sector contributed RMB 126 million (USD 15.75 million) to the GDP that year, the only visible manufacturing facility near the town was a brick factory on the road to Yunnan.

¶4. (SBU) Xilin Town is a fairly clean and prosperous place, with a surprisingly strong and diverse retail sector. In 2004, retail sales in the county (the vast majority of which

must have taken place in Xilin Town) reached RMB 103 million (USD 12.88 million), up 10% year-on-year. Since then, the situation has apparently continued to improve. Septwolves, a relatively upscale Chinese men's clothing cQin, recently opened an outlet in downtown Xilin, and its shopkeepers claimed that business was good. There is also a medium-sized supermarket that offers a decent selection of products, albeit mostly of minor brands. The only global brand represented was Nestle, and we suspect the candies may have been counterfeits.

¶5. (SBU) Outside of town, the situation is definitely not as rosy. In 2004, the average per capita income of Xilin's urban residents was more than 3.5 times higher than that of their rural neighbors (USD 673.92 and USD 183.55, respectively). As EconPolAsst noted, a Xilin farmer would have to spend an entire month's income to afford one of the meals we had in Xilin, which was a modest affair by Guangzhou standards; a shirt at Septwolves costs almost two months' income for the same farmer. Even the small settlements astride the main, two-lane highways of the county were quite squalid. At one of these settlements, the restroom facilities at the local government center were described by EconPolAsst as the worst he had seen in his life - no small feat for a Guangzhou native. At the same time, at least along the highways, the health infrastructure seemed adequate, with fair-sized dispensaries available even in very remote stretches.

We Accept RMB...Sort Of

¶6. (U) The currency of choice in Xilin is the RMB 1 bill,

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which is equal to USD 0.13. Rarely was there a need to use RMB 5 bills (each worth USD 0.63), let alone a RMB 10 bill (worth USD 1.25). One shopkeeper admitted that the RMB 50 (USD 6.25) bill we used to pay was the first he had seen - and he was working in a riverside recreation area that catered to Xilin's small "elite" (composed of men who had a vehicle and could afford to laze away a few hours in the company of a lady friend. In the end, we had no choice but to be short-changed, as the man was not accustomed to customers using large bills and just did not have enough change.

¶7. (U) Even the small 'mao' bills, treated dismissively in China's cities as disease-carrying, wallet-cluttering wastes of ink and paper, are important monetary units in Xilin. (Note: 'Mao' bills are available in three denominations: RMB 0.50 (USD 0.06), RMB 0.20 (USD 0.03) and RMB 0.10 (USD 0.01). End note.) A bean-paste bun at the bus station, for example, costs five mao (USD 0.06).

Bring Cash!

¶8. (U) Although there is at least one bank in Xilin, there are no cash machines. Meanwhile, credit cards are not accepted anywhere in Xilin. As EconPolAsst astutely pointed out, what kind of bank would issue credit cards in a town where the average monthly income is 56 U.S. dollars.

Meet The Locals

¶9. (U) Ninety percent of Xilin's population belongs to one of fourteen minorities present in the county. The Zhuang are the largest group, but not the most visible. Physically similar to the Han, the Zhuang in Xilin, as in other parts of Guangxi, nicely fill in for the Han, dressing like them and engaging in mainstream, less "quaint" activities, such as keeping shops and working in government. Meanwhile, others such as the Miao and the Yao dress and act in more "folkloric" ways. That said, the Zhuang do have their own

language, also called Zhuang, which is widely spoken in Xilin, and is not readily understood by Mandarin- or Cantonese-speakers.

¶10. (U) In the mornings, the "real" minorities walk or ride their donkeys into Xilin Town from the surrounding mountains to trade. Most of them bring vegetables or animals, many of them of the "exotic" variety, such as snakes and, in one case, some grubby puppies, which we suspect were not meant to serve as pets. Meanwhile, they pick up clothing and household items, and more conventional food items such as live chickens and pork.

Getting There And Away

¶11. (U) It is not easy to get to Xilin. The nearest commercial airports, in Nanning and Kunming, are both at least nine hours away by public transport. Meanwhile, the nearest train station, Tianlin, on the Nanning-Kunming line, is still more than a couple of hours away. From there it then takes a few hours to get to Baise. At least there are plenty of buses connecting Xilin to all these regional hubs and other destinations, including Guangzhou (25 hours).

Xilin: Wired, Educated And Healthy?

¶12. (U) Despite its physical isolation, Xilin Town is well connected to the outside world via the Internet. There are at least three cyber-cafes in Xilin, including one run by China Post. Most of the cafes' clientele consisted of young persons playing computer games, and some using instant messaging applications such as QQ. As in Guangzhou, CNN's website was accessible, while those of the White House, the State Department and the BBC were not. At RMB 5 (62 cents) for over two hours, the surfing fees were a steal.

¶13. (U) Nonetheless, there are no newspapers available for sale in Xilin. While looking in vain for a local newspaper,

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EconPolAsst was bluntly told by more than one local that people in Xilin simply do not read newspapers.

¶14. (U) Xilin Town had at least one large school, which did not look very different from schools in Guangzhou in terms of physical infrastructure. There were also sport facilities available for public use. In addition to a hospital, Xilin also has a clinic that unabashedly announces its specialty in preventing and treating sexually transmitted diseases (STD). Despite the town's size - or perhaps because of it - prostitution did not seem to be a discreet trade in Xilin. In the first hotel where we stayed, for example, a condom was thoughtfully provided in each hotel room, discreetly stashed in the cylinder of a toilet paper roll, with no mention of extra charges for use.

Where To Stay

¶15. (U) With relatively luxurious amenities such as condoms and hot water on tap, the USD 6.25 it cost to stay a night - or a few hours - at that hotel were well-spent. However, the best accommodation in town was the Xilin government's guesthouse. Because of low occupancy, the guesthouse made us an offer we could not refuse: one of their best rooms for RMB 100 (USD 12.50), instead of the usual RMB 160 (USD 20). Sadly, though, even this deluxe suite was bereft of a Western-style toilet.

Xilin's Place In History

¶16. (U) Xilin is not without historical significance. In 1856, Auguste Chapdelaine, a French priest who has since

been canonized, was executed in Xilin for his proselytizing activities and other alleged offenses - or martyred, depending on who is telling the tale. The "Chapdelaine Incident" prompted French involvement in the Second Opium War. We asked some taxi drivers if they could take us to what remains of Chapdelaine's old church, but none of them knew what we were talking about.

Imagine No Religion

¶17. (U) We then asked to be taken to a church or a temple - any church or temple - but were told there were none in Xilin. Correctly guessing that we were Yunnan-bound, one of the drivers helpfully added that there were temples in Yunnan. Asked where people in Xilin went to pray, one of the drivers replied that Xilin people had no time for that.

True Believers

¶18. (U) Part of Xilin's aversion to religion may stem from the bad aftertaste of the Chapdelaine Incident. At the same time, Xilin is still in many ways an old-school Communist stronghold. Xilin's only "attraction" is a monument to martyrs of the Revolution, and the town wakes up in the morning to the strains of the national anthem and other patriotic songs broadcast through loudspeakers. Meanwhile, billboards and murals call for a harmonious society and equal opportunities in education for rural residents, not to mention family planning. One billboard urges families to welcome both male and female newborns, letting Mother Nature decide the composition of families. This devotion may exist in part because of the area's history: Baise was the site of a 1929 Communist uprising, led by Deng Xiaoping.

¶19. (SBU) Most Xilin residents, however, are not subject to the limitations of the one-child policy, because they belong to minority groups, members of which are allowed to have two or three children, depending on circumstances. Perhaps the propaganda is there to encourage them to have smaller families voluntarily. One wonders how the few Han in the county react to this reminder of their inability to legally have more than one child, while surrounded by larger minority families. Maybe the local authorities in such a sparsely populated place are more willing to turn a blind eye to a "mistake" in the count.

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The Future Of Xilin?

¶20. (U) Perhaps the most surprising encounter in Xilin took place in the city's market, where we met a young entrepreneur who had moved from Baise to open up an English-language instruction center. Her target clientele consisted of children, and she said many Xilin parents were eager to enroll their own, despite the relative poverty of the town. However, opportunities to practice the language will be limited, as only a smattering of tourists, mostly Americans and Canadians, visit Xilin every year.

Comment: It's Not That Bad

¶21. (SBU) Would we be willing to move to Xilin? No. That said, we cannot honestly describe what we saw in harrowing terms. Our visit to Xilin left EconOff with the impression that even the roughest parts of South China are not that far off from reaching some basic levels of prosperity. People are poor, but not abjectly. They clearly enjoy a basic level of social services that most people in the developing world do not. There are dispensaries and schools throughout the county, and the signs point to a better future. And if there is hope for isolated Xilin, there must be hope for

every other county in the South.

¶22. (SBU) While the older generation leads a life that is essentially detached from the outside world, Xilin's Net-savvy youngsters have the means to connect themselves to the wider goings-on in their country. Meanwhile, transportation is slowly improving, bringing Xilin closer to the rest of Guangxi and China. The nearest railroad, while admittedly not that close to Xilin, is of relatively recent construction. Highway projects in both Yunnan and Guangxi are shortening travel times for Xilin residents heading to the big cities.

¶23. (SBU) Meanwhile, our trip to Xilin reinforced the notion that, at least in South China, rural unrest is not so much of a function of poverty itself, but rather of the corruption and inequities (such as the rigid `hukou' system) that aggravate and perpetuate poverty. In Xilin - where there is not that much for corrupt government officials to pilfer - residents seem to take their poverty in stride. This attitude, as well as their patriotism, may stem partly from the fact that they have vivid memories of a past that was much worse.

¶24. (SBU) Even the wide gap between town and country in terms of income does not seem to be a major source of strain. The attitude seems to be a more positive one: If you want the riches of the city, hop on a bus and go somewhere that's better off. And for someone in Xilin, even a relatively humble place like Baise will do.

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